

Attorney General Follow-up

Medicaid Fraud Control Unit (MFCU) in the Attorney General's Office

MFCU through the AG's office looks at Medicaid fraud on the provider side. Because this is a federal program (25% state match), the feds dictate what cases the unit can investigate. They focus on three: 1) provider fraud through an enrolled Medicaid Provider 2) abuse and neglect that occurs in federally funded facilities and 3) theft from a patient that occurs in a federally funded facility. If abuse or theft occurs outside of the federally funded facility, they cannot investigate. They also cannot investigate fraud on the participant side. DSS has an office, the Office of Recoveries and Fraud Investigation, that investigates participant and eligibility fraud. The numbers below in the previous email are recoveries only from the AG's MFCU. DSS's recovery information is in the next section.

DSS and MFCU work closely together. Because DSS sends the payments to Medicaid providers, they meet and discuss potential cases of fraud together. For example, if a provider was billing a lot under a specific procedure code, DSS would notify MFCU and they would investigate. Vice versa, the MFCU has a 1-800 number for tips on Medicaid fraud, and often they receive complaints regarding an individual on Medicaid. The AG's office then forwards that information to DSS to investigate fraud on the part of the individual.

MFCU recovered \$683,679.86 as the state share of Medicaid funds, and this money was returned to the state general fund. MFCU also recovered \$1,306,412.91 as the federal share of Medicaid funds, and this money was returned to the federal government.

MFCU FY2016

(July 1, 2015 - June 30, 2016)

Total Recoveries: \$1,990,697

Settlements are brought in and deposited into general fund or returned to the federal government.

Total Budget: \$452,362

‣ 25% State Share \$113,091

‣ 75% Federal Share \$339,271

Amount of \$ that it takes to run the MFCU.

Return on Investment:

Recoveries ÷ Budget = \$4.40, per \$1 spent



MFCU FY2016

Total Recoveries: \$1,990,697
Total Budget: \$452,362



Office of Recoveries and Fraud Investigation (ORFI) in the Department of Social Services

In FY2016 Medical related ORFI collections total \$7.8 million related to third party liability, estate recoveries, and fraud prevention/detection. Of this total, \$63,627 was Medicaid fraud related cases, \$3.1 million was estate recoveries and the remainder was Third Party Liability.

Social Security Administration – Cooperative Disability Investigations Unit (SSA-CDI) in Attorney General's Office

This is a new proposed unit to investigate Supplemental Security Income disability claims. The Dept. of Human Services has a request of 1 FTE and \$444,655 in federal fund authority. The FTE is for a Disability Determination Services position and \$48,784 is for personal services for this position. The remaining \$395,871 of this federal fund authority is for pass-through funds to the Attorney General's office to fund the CDI. The AG requested 5 FTEs and \$395,871 in other fund authority for 4 investigators and 1 analyst. Attached is the CDI proposal breaking out the budget and background information.

As the Attorney General stated in his budget hearing, when someone becomes eligible for SSI disability, they often become eligible for other assistance, such as SNAP, TANF, and Medicaid. If the CDI finds that someone is receiving disability fraudulently, they will work with DSS/MFCU and see if they are also receiving other benefits they are not eligible for. The goal is to investigate at the source of eligibility/fraud and then determine if there is other fraud associated with the individual. Since 1997, other CDI Programs across the country has contributed to over \$2.9 billion in projected savings nationally.

DCI is proactively working on coordinating all other fraud preventative and investigative efforts in SD to establish an information sharing protocol to ensure clear lines of communication and reduction of duplicate investigative effort.

I think there are also concerns about federal funding for the program and what happens if it is eliminated. The AG stated in his budget hearing that if federal funds were eliminated, CDI would be discontinued. However, the Committee may also wish to do a letter of intent as well. As you may remember, the JCA did a letter of intent for the STOP Grant in the AG's office, clarifying that once the funding was gone in three years, the program would be eliminated.